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Nancy C. Garrison, Esq.
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U. S. Department of Justice
555 Fourth Street, N.W.
Room 8106
Washington, D.C. 20001

Re: Change in Equal Access Procedures for the Routing of
Dial "0" Calls from Some Ameritech Public Telephones
(U.S. v. Western Electric, No. 81-0192).

Dear Ms. Garrison:

In accordance with the requirements of the District Court's order of March 6, 1985, Ameritech hereby notifies the Department of a change in its procedures for the routing of calls dialed without access codes from some Ameritech public telephones.

Since divestiture, dial "0" calls without access codes have been sent to American Telephone and Telegraph Company ("AT&T") exclusively. On January 29, 1988, the Department moved the Court for an order that would, inter alia, require the Bell Operating Companies ("BOCs") to file within sixty days plans that would end this routing. The Court, however, has not yet ruled upon the Department's motion.

Since 1984, the Ameritech companies have advocated before the Department, the Court, and the Federal Communications Commission ("FCC") that routing to AT&T should be replaced by Ameritech's plan to route calls by database inquiry according to the carrier preference of the party who will pay for each credit card, collect, or third-number call. However, the technological capability of doing so is not yet available. Moreover, neither the Court nor the FCC has yet approved the billed party preference plan or, indeed, indicated any inclination to approve any other plan to change the present routing.

While these issues have remained undecided, the owners and proprietors of premises on which public telephones are located have become increasingly aware of alternatives to the public telephones provided by the BOCs and other local exchange carriers ("LECs"). AT&T telephones and other private (i.e., non-BOC or non-LEC) public telephones are being employed to replace BOC

public telephones. Such public telephones frequently employ automatic dialing to direct all calls (whether or not dialed with any carrier's access code) to a carrier selected by the provider of the telephone or the premises owner. Often this carrier is the type of reseller known as an Alternate Operator Service ("AOS") provider. Under these arrangements, the owners and proprietors of public telephone premises are, as a practical matter, controlling the routing of both intraLATA and interLATA calls from their premises by virtue of their ability to select the public telephone provider. These developments have already been described to the Department in NYNEX Corporation's letter dated November 2, 1987, and have since been discussed extensively in the filings before the Court in response to the Department's January 29 motion and in current inquiries by the FCC and state commissions into the practices of AOS carriers.

Another recent development is that Ameritech and other BOCs are making available the data to permit validation of collect, third-number, and BOC credit card calls by all carriers. On May 19, 1988, U S West Service Link announced that it had loaded the data of Ameritech, Southwestern Bell, and U S West and that it was offering validation service on calls to be billed in the twenty-four states served by those three BOC regions. This makes the routing of calls without access codes to non-AT&T carriers a more workable option than before.

In the wake of these developments, Ameritech, like NYNEX, proposes to respond to competitive challenges to its public telephones by routing dial "0" interLATA calls to a carrier selected by the owner of the premises. (This would apply only to interLATA calls dialed without access codes; there would be no change in the routing of 10XXX, 950-XXXX, and other access codes.) In ascertaining the premises owner's choice of interLATA carrier, the Ameritech companies will not be engaged in providing interLATA services or selecting the interLATA carrier. The Ameritech companies will present a bid or proposal relating to the installation and maintenance of the telephone sets and the carriage of local and intraLATA toll traffic and will invite complementary bids from interLATA carriers who are in general agreement with the usual participation assumptions discussed below.

Bids will be invited from interLATA carriers as directed by the premises owners and will be in accordance with the equal access and non-discrimination requirements of the decree. Whenever the premises owner has not indicated any particular interLATA carriers to be solicited, the Ameritech companies will solicit complementary bids from all interLATA carriers who concur in the basis for participation and who might reasonably be expected to have an interest in the BOC public telephones in question. On the other hand, the Ameritech companies do not believe they are required to reveal one carrier's sales leads to the other carriers or to expand the list of bidding carriers beyond the scope desired by the premises owner. Thus, where an

Ameritech company is approached by a particular interLATA carrier with respect to a particular premises, the Ameritech company would submit its intraLATA bid to be complementary only with that carrier's proposal. Similarly, if a premises owner states that he has already selected an interLATA carrier, other carriers would not be notified.

Of course, the Ameritech companies would not seek to hinder any direct contacts between premises owners and interLATA carriers and would not try to prevent carriers from simultaneously bidding with other public telephone providers.

Commissions on interLATA calls paid to the premises owner by the selected interLATA carrier would belong entirely to the premises owner. Upon request, the Ameritech company would receive the commissions from the interLATA carrier and pass them on to the premises owner so that the premises owner may have the convenience of a single check, accounting separately for interLATA and intraLATA commissions.

Ending the exclusive routing of public telephone calls to AT&T will further both the letter and the spirit of the equal access and non-discrimination requirements of the decree. At the same time, those requirements would not be inconsistent with reasonable guidelines stating the normal basis for participation by interLATA carriers in these complementary bidding situations. The guideline proposed by the Ameritech companies is described in the attachment to this letter.

Some of the items in the attachment deal with legal and tariff questions and others relate to the quality of service available from Ameritech public telephones. Each Ameritech company's corporate identity and the Bell trademark appear on Ameritech public telephones, and end users would be misled if services from those telephones were not of the quality and value they have come to associate with those insignia. Furthermore, the end user would be confused and frustrated by any wide differences in using the same telephone for interLATA and intraLATA purposes, damaging the competitive position of the Ameritech public telephone as compared to those of other providers. Thus, for example, the Ameritech companies expect that carriers will not block "1+" coin-sent-paid calls.

The assumptions in the attachment are intended to apply to most situations, but would be subject to adjustment to meet the reasonable needs of premises owners in special circumstances. (Prisons, for example, usually forbid credit card and third-number calling by inmates.) Nevertheless, where a premises owner unreasonably insists upon substandard service, the Ameritech companies reserve the option to remove their public telephones from consideration. In addition, it should be noted that in the FCC's present inquiry into the operations of AOS carriers, many of the carriers have subscribed to a new Code of Responsibilities and have announced other improvements in their services, leading

one to expect that most parties who wish to be associated with BOC public telephones will elect to participate on the basis proposed by Ameritech. Any who do not will of course still be able to compete for the premises owner's selection by partnering with non-BOC providers of public telephones, which is just what they have been doing all along while BOC public telephones were being routed only to AT&T.

These procedures are intended to apply to Ameritech public telephones subject to the immediate pressures of competition. Ameritech still supports its billed-party-preference plan for other Ameritech public telephones, and most likely will not make any alternative or interim proposal before the Court has acted on the Department's January 29 motion. However, Ameritech does propose that any arrangements entered into as described in this letter be honored for whatever time period is agreed upon between the premises owner and the interLATA carrier, even if some other routing plan should be adopted or required in the meantime. For example, if an auction plan such as recently proposed by the GTE telephone companies were imposed by the Court or the FCC, Ameritech would argue that any premises owners who had previously chosen a carrier would be exempt until their agreement with the interLATA carrier had expired.

Even in advocating its billed party preference plan, Ameritech always has said that any of the alternatives, including carrier choice by the premises owner, would meet the requirements of the decree. Thus the premises owner choice plan described in this letter should not require a waiver or any action by the Department, and the letter has been sent for the purpose of complying with the Court's order requiring notice of changes. That order requires thirty days' notice unless the Department agrees to a shorter period. In view of the Department's efforts to end the default of public telephone calls to AT&T as soon as possible, the present proposal -- assuming that the Department has no objections to its merits -- would appear to be an appropriate instance for applying a shorter period. Accordingly, Ameritech requests the Department to advise Ameritech that it may proceed with the proposal before the thirty-day period has elapsed. Otherwise, the amendment will be put into effect after the thirtieth day.

Very truly yours,

Thomas P. Herten
/amb

cc: Luin Fitch, Esq.

AMERITECH OPERATING COMPANIES

NORMAL BASIS FOR PARTICIPATION BY INTEREXCHANGE CARRIERS ("IXCs") IN COMPLEMENTARY BIDDING ON AMERITECH PUBLIC TELEPHONES

1. IXC will meet both federal and state certification requirements (if any) for interLATA service.
2. IXC will arrange for the receipt of calls within the LATA of origin and will subscribe to FGD access service in the end office where the public telephone is located.
3. IXC will complete calls anywhere within the North American Number Plan without re-dialing by the end user.
4. From public telephones equipped for coin-sent-paid service, IXC will either provide interLATA coin service itself or direct the Ameritech company to divert coin calls to an IXC capable of providing it, in either case without re-dialing by the end user. IXCs who provide coin service must enter into a mutual agreement with the Ameritech company to divide coin shortfalls between intraLATA and interLATA according to a usage-related ratio.
5. IXCs who honor the charge cards issued by the Ameritech companies will do so on an automated basis substantially equivalent to that provided by the Ameritech companies on their intraLATA traffic.
6. IXC will accept charge card, collect, and third-number charge arrangements in such manner as to promote end user convenience by minimizing the difference between the procedures for intraLATA and interLATA calls. IXC may in addition offer further charge options for interLATA calls.
7. Where IXC desires to record the telephone number of the originating station, it will do so by utilizing Automatic Number Identification as provided in FGD and not by asking the end user, except in the case of equipment failure.
8. IXC will identify itself to each caller before any charges have been incurred.
9. IXC's rates and practices for interstate interLATA services will be just and reasonable, as required by Section 201(b) of the Communications Act of 1934. Intrastate interLATA service will comply with any corresponding state requirements.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Petition to Expand the Scope of Rulemaking was served this 28th day of May, 1992, via first class mail, post prepaid, to the parties on the attached service list.



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